

Global Antitrust and Fair Competition Policy

Johnson Controls Compliance Policy



Applicability

Corporate	Yes
U.S. divisions and majority-owned subsidiaries.....	Yes
Non-U.S. divisions and majority-owned subsidiaries	Yes
Consolidated joint ventures and affiliates	Yes
Unconsolidated joint venture affiliates	Yes

Johnson Controls believes in competing fairly and independently, succeeding through the superior quality and value of our products and services.

Globally, there are laws in force designed to promote free markets—known as antitrust laws in the United States and competition laws in most other countries. These laws are complex, and violations can result in severe penalties.

The Johnson Controls Global Antitrust and Fair Competition Policy lays out principles and provides guidance on how to conduct business fairly while complying with our Code of Ethics and the principles of global competition laws.

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What are some key terms I will need to understand?

Competitors: Separate companies that conduct business in the same product or service segments

The different legal entities that make up Johnson Controls are not considered to be competitors for competition law or antitrust purposes.

Agreement: A shared objective or outcome between separate companies. Agreements do not have to be in writing or even discussed in detail. Rather, an agreement can simply be understood by the parties based on conduct. For example, a pattern of behavior that demonstrates separate companies shared a common objective or outcome can be enough to establish an Agreement.

Collusion: An agreement between two or more parties to commit fraudulent, illegal, or deceitful actions. Collusion usually takes place in order to gain an unfair advantage over competitors.

Competitively Sensitive Information: Any information that you would not want to share with your competitors, including cost, price, output, bidding data or strategy, or other non-public strategic information. Exchanging competitively sensitive information with a competitor could be evidence of collusion, which is illegal.

Dominant Position: A position of economic strength that gives a business the power to control the relevant industry segment.

Trade Association: An organization founded and funded by businesses operating in a specific industry or geography to promote the industry and to voice publicly the views of the members on matters of common interest. The activities of a trade association may include lobbying, advocating, educating, publishing, or advertising. Trade associations are known by many names, including industry trade groups, business associations, or industry bodies.

Competitive Intelligence: Any information about competitors, customers, products, or other market factors that can be used to gain a competitive advantage.

What do I need to know?

1. Agreements with Competitors

The most frequent Competition Law violations involve Agreements between Competitors that could have the object or effect of restricting competition, regardless of whether there is an actual or implied Agreement, including:

- **Price fixing:** Do not enter into Agreements with Competitors about prices (including Agreements about components of price or about the process by which prices, discounts, bidding, rebates, or credit terms are set). Johnson Controls must always set pricing independently and must never discuss pricing with competitors.
- **Market sharing:** Do not enter into Agreements with Competitors to divide industry segments, whether by product, territory, channel, type or size of customer, or in any other way.
- **Bid rigging:** Do not enter into Agreements with Competitors to coordinate tenders or bids. This includes, but is not limited to, agreeing on who will bid, how much to bid, or who will win.
- **Other Agreements:** Do not enter into Agreements with Competitors regarding other commercial terms, like warranty periods, introduction of new technology, salary or other reimbursements, or hiring policies, including Agreements to not poach each other's employees. This could lead to similar behavior in the market, restricting competition.
- **The exchange of competitively sensitive information:** Do not exchange Competitively Sensitive Information with Competitors.

Not all Agreements with Competitors are illegal. For example, we sometimes enter into subcontracting agreements with competitors. Always consult Legal if you wish to enter into an Agreement with a Competitor.

Even if a company's products and services do not directly compete with Johnson Controls, we may still compete for employees in the same labor marketplace. Anticompetitive Agreements with these companies, such as no-poaching Agreements or wage-fixing, are illegal.

2. Trade Associations

Trade Associations are important platforms to legitimately meet and discuss issues that impact the industry, like trends, standards, training, and legislation. However, Trade Associations also present opportunities for facilitating Agreements between Competitors or the exchange of Competitively Sensitive Information.

Remember:

- Employees who want to become members of or participate in a Trade Association must obtain compliance pre-approval. Pre-approval can be obtained via the [Compliance Portal](#)
- Employees who participate in Trade Association meetings must complete all assigned competition law training.
- Employees must be careful not to take any actions that could lead to the exchange of Competitively Sensitive Information or an Agreement with a Competitor. Even casual conversations can present risks of anticompetitive conduct, depending on what is being discussed.
- If any anti-competitive discussion takes place at a Trade Association meeting, employees should object, leave the meeting if it continues, have their objection or departure formally noted, if possible, and immediately inform Legal.

3. Competitive Intelligence

Gathering and analyzing competitive intelligence is essential for Johnson Controls to develop efficient and effective market strategies. When gathering competitive intelligence, **remember:**

- Always get your information from public sources.
- Never get your information through deception or misrepresentation. A Competitor is not a legitimate source of business intelligence.
- You can ask customers or suppliers about JCI's competitive position, but you may not ask them for Competitively Sensitive Information about our competitors.

For more information on competitive intelligence, see the [Competition Law Guidelines for Pricing and Selling](#).

4. Relationships with customers

Customers who resell our products, like distributors and wholesalers, must be free to independently determine their commercial strategy.

Remember:

- Never tell a distributor or wholesaler what their resell price or minimum resell price should be. It is generally acceptable to give them recommendations about resell pricing, but only if the reseller is not required or pressured to follow the recommendation.
- Always seek advice from Legal before:
 - o imposing a restriction on the reseller regarding where or to whom they can resell
 - o imposing any restriction on the reseller related to selling competing products
 - o granting exclusivity to a distributor

Charging competing buyers different prices for the same product can be problematic and sometimes even illegal. This is called price discrimination. For more information, see the [Competition Law Guidelines for Pricing and Selling](#).

5. Dominant position

Having a dominant position as a result of superior products or services is not unlawful. However, to keep markets competitive, competition laws impose specific restrictions on companies in Dominant Positions.

Consult Legal when Johnson Controls may have a Dominant Position regarding a particular product or service. Legal can help assess the company's market position and verify whether certain commercial activities could lead to an abuse of the Dominant Position.

What are my responsibilities?

- Adhere to the principles set out in this Policy.
- Complete all compliance training as directed.
- Avoid ambiguous or misleading communications that could be perceived as suggesting anti-competitive conduct.
- Promptly report any suspected or actual violations of this Policy or the law to Legal or Compliance.
- Inform Legal immediately about any communications from regulatory authorities related to competition matters
- Cooperate with any reviews or investigations by Johnson Controls
- If in doubt, reach out. Contact Compliance or Legal, or email askcompliance@jci.com.

What happens if I violate this Policy?

Violations of antitrust or competition laws can have serious consequences for both Johnson Controls and for individual employees. Violations may result in large fines and payments, harm to Johnson Controls reputation and relationships, and a loss of stakeholder trust in the Company. In many countries, employees who are involved in the violation may be fined or face time in prison.

Any employee who violates this Policy will face disciplinary action up to and including termination of employment. Johnson Controls may terminate our relationship with Third Parties if they violate this Policy.

Useful links

- [Johnson Controls Code of Ethics](#)
- [Competition Law Guidelines for Pricing and Selling](#)
- [Trade Association Disclosure Form](#)

Dates		Subject
Date originally issued: Feb 2014 Date last reviewed: Apr 2017 Date updated: Mar 2023		Antitrust and Fair Competition 15-00.113.GLBL
Department	Department Contact	Approved
Legal Compliance	VP & Chief Compliance Officer	Neuman Leverett, VP & Chief Compliance Officer



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